



Reprinted
January 28, 2014

SENATE BILL No. 260

DIGEST OF SB 260 (Updated January 27, 2014 3:03 pm - DI 73)

Citations Affected: IC 36-1; IC 36-7.

Synopsis: Expenditures in support of military bases. Authorizes units of local government to expend money in direct support of a military base located within the unit and in support of any other entity that provides services or direct support to such a military base. Provides that redevelopment commissions, military base reuse authorities, and military base development authorities may, subject to prior approval by the unit's fiscal body, expend money and provide financial assistance (including grants and loans) in direct support of a military base located within the unit and in support of any other entity that provides services or direct support to such a military base. Provides that the fiscal body of the unit that established such a commission or authority must separately approve each grant, loan, or other expenditure for financial assistance provided by the commission or authority under these provisions. Provides that the terms of any loan made under these provisions by a commission or authority may be changed only if the change is approved by the fiscal body of the unit that established the commission or authority.

Effective: July 1, 2014.

**Banks, Hershman, Holdman,
Waterman**

January 13, 2014, read first time and referred to Committee on Local Government.
January 16, 2014, reported favorably — Do Pass.
January 27, 2014, read second time, amended, ordered engrossed.

SB 260—LS 6447/DI 73



Reprinted
January 28, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 260

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-1-4-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 20. (a) As used in this section, "military base" means**
4 **an active military installation that:**

5 **(1) is used for the deployment, redeployment, mobilization,**
6 **concentration, movement, exercise, or training of active or**
7 **reserve components of the armed forces of the United States**
8 **or of active or reserve components of the Indiana National**
9 **Guard or Indiana Area National Guard; and**

10 **(2) consists of an area of at least one hundred (100) acres.**
11 **The term also includes a military installation that is used for the**
12 **design, construction, maintenance, and testing of electronic devices**
13 **and ordnance.**

14 **(b) Upon appropriation by the fiscal body of a unit, the unit may**
15 **expend money:**

16 **(1) in direct support of a military base located within the unit,**

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1 **including direct support for the promotion of the military**
 2 **base, the growth of the military base, and activities at the**
 3 **military base; and**

4 **(2) in support of any other entity that provides services or**
 5 **direct support to a military base described in subdivision (1).**

6 SECTION 2. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,
 7 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do
 9 the following:

10 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 11 lease, or any combination of methods, any personal property or
 12 interest in real property needed for the redevelopment of areas
 13 needing redevelopment that are located within the corporate
 14 boundaries of the unit.

15 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 16 other instrument), exchange, lease, rent, or otherwise dispose of
 17 property acquired for use in the redevelopment of areas needing
 18 redevelopment on the terms and conditions that the commission
 19 considers best for the unit and its inhabitants.

20 (3) Sell, lease, or grant interests in all or part of the real property
 21 acquired for redevelopment purposes to any other department of
 22 the unit or to any other governmental agency for public ways,
 23 levees, sewerage, parks, playgrounds, schools, and other public
 24 purposes on any terms that may be agreed on.

25 (4) Clear real property acquired for redevelopment purposes.

26 (5) Enter on or into, inspect, investigate, and assess real property
 27 and structures acquired or to be acquired for redevelopment
 28 purposes to determine the existence, source, nature, and extent of
 29 any environmental contamination, including the following:

30 (A) Hazardous substances.

31 (B) Petroleum.

32 (C) Other pollutants.

33 (6) Remediate environmental contamination, including the
 34 following, found on any real property or structures acquired for
 35 redevelopment purposes:

36 (A) Hazardous substances.

37 (B) Petroleum.

38 (C) Other pollutants.

39 (7) Repair and maintain structures acquired for redevelopment
 40 purposes.

41 (8) Remodel, rebuild, enlarge, or make major structural
 42 improvements on structures acquired for redevelopment purposes.



(9) Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.

(10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commissioners.

(11) Institute or defend in the name of the unit any civil action.

(12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.

(13) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit in the manner prescribed by section 20 of this chapter.

(14) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(15) Appoint clerks, guards, laborers, and other employees the commission considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(16) Prescribe the duties and regulate the compensation of employees of the department of redevelopment.

(17) Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(18) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (15).

(19) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.

(20) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.

(21) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(22) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the



- 1 corporate boundaries of the unit; or
 2 (B) any structure that enhances development or economic
 3 development.
 4 (23) Contract for the construction, extension, or improvement of
 5 pedestrian skyways.
 6 (24) Accept loans, grants, and other forms of financial assistance
 7 from the federal government, the state government, a municipal
 8 corporation, a special taxing district, a foundation, or any other
 9 source.
 10 (25) Provide financial assistance (including grants and loans) to
 11 enable individuals and families to purchase or lease residential
 12 units within the district. However, financial assistance may be
 13 provided only to individuals and families whose income is at or
 14 below the unit's median income for individuals and families,
 15 respectively.
 16 (26) Provide financial assistance (including grants and loans) to
 17 neighborhood development corporations to permit them to:
 18 (A) provide financial assistance for the purposes described in
 19 subdivision (25); or
 20 (B) construct, rehabilitate, or repair commercial property
 21 within the district.
 22 (27) Require as a condition of financial assistance to the owner of
 23 a multiple unit residential structure that any of the units leased by
 24 the owner must be leased:
 25 (A) for a period to be determined by the commission, which
 26 may not be less than five (5) years;
 27 (B) to families whose income does not exceed eighty percent
 28 (80%) of the unit's median income for families; and
 29 (C) at an affordable rate.
 30 **(28) Subject to prior approval by the fiscal body of the unit**
 31 **that established the redevelopment commission, expend**
 32 **money and provide financial assistance (including grants and**
 33 **loans):**
 34 **(A) in direct support of a military base located within the**
 35 **unit that established the redevelopment commission,**
 36 **including direct support for the promotion of the military**
 37 **base, the growth of the military base, and activities at the**
 38 **military base; and**
 39 **(B) in support of any other entity that provides services or**
 40 **direct support to a military base described in clause (A).**
 41 **The fiscal body of the unit that established the redevelopment**
 42 **commission must separately approve each grant, loan, or**



other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "military base" has the meaning set forth in IC 36-1-4-20.

(b) Conditions imposed by the commission under subsection (a)(27) remain in force throughout the period determined under subsection (a)(27)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5.

SECTION 3. IC 36-7-14-39, AS AMENDED BY P.L.218-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the



- 1 effective date of the allocation provision.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in a
- 3 declaratory resolution or an amendment to a declaratory
- 4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally
- 6 determined for the assessment date immediately preceding the
- 7 effective date of the allocation provision of the declaratory
- 8 resolution, as adjusted under subsection (h); plus
- 9 (B) to the extent that it is not included in clause (A), the net
- 10 assessed value of property that is assessed as residential
- 11 property under the rules of the department of local government
- 12 finance, as finally determined for any assessment date after the
- 13 effective date of the allocation provision.
- 14 (3) If:
- 15 (A) an allocation provision adopted before June 30, 1995, in
- 16 a declaratory resolution or an amendment to a declaratory
- 17 resolution establishing a redevelopment project area expires
- 18 after June 30, 1997; and
- 19 (B) after June 30, 1997, a new allocation provision is included
- 20 in an amendment to the declaratory resolution;
- 21 the net assessed value of all the property as finally determined for
- 22 the assessment date immediately preceding the effective date of
- 23 the allocation provision adopted after June 30, 1997, as adjusted
- 24 under subsection (h).
- 25 (4) Except as provided in subdivision (5), for all other allocation
- 26 areas, the net assessed value of all the property as finally
- 27 determined for the assessment date immediately preceding the
- 28 effective date of the allocation provision of the declaratory
- 29 resolution, as adjusted under subsection (h).
- 30 (5) If an allocation area established in an economic development
- 31 area before July 1, 1995, is expanded after June 30, 1995, the
- 32 definition in subdivision (1) applies to the expanded part of the
- 33 area added after June 30, 1995.
- 34 (6) If an allocation area established in a redevelopment project
- 35 area before July 1, 1997, is expanded after June 30, 1997, the
- 36 definition in subdivision (2) applies to the expanded part of the
- 37 area added after June 30, 1997.
- 38 Except as provided in section 39.3 of this chapter, "property taxes"
- 39 means taxes imposed under IC 6-1.1 on real property. However, upon
- 40 approval by a resolution of the redevelopment commission adopted
- 41 before June 1, 1987, "property taxes" also includes taxes imposed
- 42 under IC 6-1.1 on depreciable personal property. If a redevelopment



commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;



1 shall be allocated to and, when collected, paid into the funds of
 2 the respective taxing units.

3 (2) The excess of the proceeds of the property taxes imposed for
 4 the assessment date with respect to which the allocation and
 5 distribution is made that are attributable to taxes imposed after
 6 being approved by the voters in a referendum or local public
 7 question conducted after April 30, 2010, not otherwise included
 8 in subdivision (1) shall be allocated to and, when collected, paid
 9 into the funds of the taxing unit for which the referendum or local
 10 public question was conducted.

11 (3) Except as otherwise provided in this section, property tax
 12 proceeds in excess of those described in subdivisions (1) and (2)
 13 shall be allocated to the redevelopment district and, when
 14 collected, paid into an allocation fund for that allocation area that
 15 may be used by the redevelopment district only to do one (1) or
 16 more of the following:

17 (A) Pay the principal of and interest on any obligations
 18 payable solely from allocated tax proceeds which are incurred
 19 by the redevelopment district for the purpose of financing or
 20 refinancing the redevelopment of that allocation area.

21 (B) Establish, augment, or restore the debt service reserve for
 22 bonds payable solely or in part from allocated tax proceeds in
 23 that allocation area.

24 (C) Pay the principal of and interest on bonds payable from
 25 allocated tax proceeds in that allocation area and from the
 26 special tax levied under section 27 of this chapter.

27 (D) Pay the principal of and interest on bonds issued by the
 28 unit to pay for local public improvements that are physically
 29 located in or physically connected to that allocation area.

30 (E) Pay premiums on the redemption before maturity of bonds
 31 payable solely or in part from allocated tax proceeds in that
 32 allocation area.

33 (F) Make payments on leases payable from allocated tax
 34 proceeds in that allocation area under section 25.2 of this
 35 chapter.

36 (G) Reimburse the unit for expenditures made by it for local
 37 public improvements (which include buildings, parking
 38 facilities, and other items described in section 25.1(a) of this
 39 chapter) that are physically located in or physically connected
 40 to that allocation area.

41 (H) Reimburse the unit for rentals paid by it for a building or
 42 parking facility that is physically located in or physically



connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as



1 industrial property under the rules of the department of local
2 government finance.

3 However, the total amount of money spent for this purpose in
4 any year may not exceed the total amount of money in the
5 allocation fund that is attributable to property taxes paid by the
6 industrial facilities described in this clause. The
7 reimbursements under this clause must be made within three
8 (3) years after the date on which the investments that are the
9 basis for the increment financing are made.

10 (L) Pay the costs of carrying out an eligible efficiency project
11 (as defined in IC 36-9-41-1.5) within the unit that established
12 the redevelopment commission. However, property tax
13 proceeds may be used under this clause to pay the costs of
14 carrying out an eligible efficiency project only if those
15 property tax proceeds exceed the amount necessary to do the
16 following:

17 (i) Make, when due, any payments required under clauses
18 (A) through (K), including any payments of principal and
19 interest on bonds and other obligations payable under this
20 subdivision, any payments of premiums under this
21 subdivision on the redemption before maturity of bonds, and
22 any payments on leases payable under this subdivision.

23 (ii) Make any reimbursements required under this
24 subdivision.

25 (iii) Pay any expenses required under this subdivision.

26 (iv) Establish, augment, or restore any debt service reserve
27 under this subdivision.

28 **(M) Expend money and provide financial assistance as**
29 **authorized in section 12.2(a)(28) of this chapter.**

30 The allocation fund may not be used for operating expenses of the
31 commission.

32 (4) Except as provided in subsection (g), before July 15 of each
33 year, the commission shall do the following:

34 (A) Determine the amount, if any, by which the assessed value
35 of the taxable property in the allocation area for the most
36 recent assessment date minus the base assessed value, when
37 multiplied by the estimated tax rate of the allocation area, will
38 exceed the amount of assessed value needed to produce the
39 property taxes necessary to make, when due, principal and
40 interest payments on bonds described in subdivision (3), plus
41 the amount necessary for other purposes described in
42 subdivision (3).



(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to



1 this section; or

2 (2) the base assessed value.

3 (g) If any part of the allocation area is located in an enterprise zone
4 created under IC 5-28-15, the unit that designated the allocation area
5 shall create funds as specified in this subsection. A unit that has
6 obligations, bonds, or leases payable from allocated tax proceeds under
7 subsection (b)(3) shall establish an allocation fund for the purposes
8 specified in subsection (b)(3) and a special zone fund. Such a unit
9 shall, until the end of the enterprise zone phase out period, deposit each
10 year in the special zone fund any amount in the allocation fund derived
11 from property tax proceeds in excess of those described in subsection
12 (b)(1) and (b)(2) from property located in the enterprise zone that
13 exceeds the amount sufficient for the purposes specified in subsection
14 (b)(3) for the year. The amount sufficient for purposes specified in
15 subsection (b)(3) for the year shall be determined based on the pro rata
16 portion of such current property tax proceeds from the part of the
17 enterprise zone that is within the allocation area as compared to all
18 such current property tax proceeds derived from the allocation area. A
19 unit that has no obligations, bonds, or leases payable from allocated tax
20 proceeds under subsection (b)(3) shall establish a special zone fund
21 and deposit all the property tax proceeds in excess of those described
22 in subsection (b)(1) and (b)(2) in the fund derived from property tax
23 proceeds in excess of those described in subsection (b)(1) and (b)(2)
24 from property located in the enterprise zone. The unit that creates the
25 special zone fund shall use the fund (based on the recommendations of
26 the urban enterprise association) for programs in job training, job
27 enrichment, and basic skill development that are designed to benefit
28 residents and employers in the enterprise zone or other purposes
29 specified in subsection (b)(3), except that where reference is made in
30 subsection (b)(3) to allocation area it shall refer for purposes of
31 payments from the special zone fund only to that part of the allocation
32 area that is also located in the enterprise zone. Those programs shall
33 reserve at least one-half (1/2) of their enrollment in any session for
34 residents of the enterprise zone.

35 (h) The state board of accounts and department of local government
36 finance shall make the rules and prescribe the forms and procedures
37 that they consider expedient for the implementation of this chapter.
38 After each general reassessment of real property in an area under
39 IC 6-1.1-4-4 and after each reassessment in an area under a
40 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
41 local government finance shall adjust the base assessed value one (1)
42 time to neutralize any effect of the reassessment of the real property in



the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

(1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;

(2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and

(3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 4. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008, SECTION 744, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In carrying out its duties and purposes under this chapter, the commission may do the following:



(1) Acquire by purchase, exchange, gift, grant, lease, or condemnation, or any combination of methods, any real or personal property or interest in property needed for the redevelopment of areas needing redevelopment that are located within the redevelopment district.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, invest in, or otherwise dispose of, through any combination of methods, property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the city and its inhabitants.

(3) Acquire from and sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the city, or to any other governmental agency, for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes, on any terms that may be agreed upon.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired or to be acquired for redevelopment purposes.

(8) Enter upon, survey, or examine any land, to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes, and determine the value of that land.

(9) Appear before any other department or agency of the city, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of



- 1 the commission.
- 2 (10) Subject to section 13 of this chapter, exercise the power of
- 3 eminent domain in the name of the city, within the redevelopment
- 4 district, in the manner prescribed by this chapter.
- 5 (11) Establish a uniform fee schedule whenever appropriate for
- 6 the performance of governmental assistance, or for providing
- 7 materials and supplies to private persons in project or program
- 8 related activities.
- 9 (12) Expend, on behalf of the redevelopment district, all or any
- 10 part of the money available for the purposes of this chapter.
- 11 (13) Contract for the construction, extension, or improvement of
- 12 pedestrian skyways.
- 13 (14) Accept loans, grants, and other forms of financial assistance
- 14 from the federal government, the state government, a municipal
- 15 corporation, a special taxing district, a foundation, or any other
- 16 source.
- 17 (15) Provide financial assistance (including grants and loans) to
- 18 enable individuals and families to purchase or lease residential
- 19 units within the district. However, financial assistance may be
- 20 provided only to those individuals and families whose income is
- 21 at or below the county's median income for individuals and
- 22 families, respectively.
- 23 (16) Provide financial assistance (including grants and loans) to
- 24 neighborhood development corporations to permit them to:
- 25 (A) provide financial assistance for the purposes described in
- 26 subdivision (15); or
- 27 (B) construct, rehabilitate, or repair commercial property
- 28 within the district.
- 29 (17) Require as a condition of financial assistance to the owner of
- 30 a multiunit residential structure that any of the units leased by the
- 31 owner must be leased:
- 32 (A) for a period to be determined by the commission, which
- 33 may not be less than five (5) years;
- 34 (B) to families whose income does not exceed eighty percent
- 35 (80%) of the county's median income for families; and
- 36 (C) at an affordable rate.
- 37 Conditions imposed by the commission under this subdivision
- 38 remain in force throughout the period determined under clause
- 39 (A), even if the owner sells, leases, or conveys the property. The
- 40 subsequent owner or lessee is bound by the conditions for the
- 41 remainder of the period.
- 42 (18) Provide programs in job training, job enrichment, and basic



skill development for residents of an enterprise zone.

(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

(A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or

(B) any structure that enhances development or economic development.

(21) Subject to prior approval by the fiscal body of the unit that established the redevelopment commission, expend money and provide financial assistance (including grants and loans):

(A) in direct support of a military base located within the unit that established the redevelopment commission, including direct support for the promotion of the military base, the growth of the military base, and activities at the military base; and

(B) in support of any other entity that provides services or direct support to a military base described in clause (A).

The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "military base" has the meaning set forth in IC 36-1-4-20.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the following:

(1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.

(2) The acquisition of real property.

(3) Either of the following with respect to environmental



contamination on real property:

(A) Investigation.

(B) Remediation.

(4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:

(A) To eliminate unhealthful, unsanitary, or unsafe conditions.

(B) To mitigate or eliminate environmental contamination.

(C) To lessen density.

(D) To reduce traffic hazards.

(E) To eliminate obsolete or other uses detrimental to public welfare.

(F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.

(G) To provide land for needed public facilities.

(5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.

(6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.

(7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property and interests in real property outside of a redevelopment or urban renewal project area, the commission shall comply with section 12(b) through 12(e) of this chapter. The commission shall hold, develop, use, and dispose of this real property and interests in real property substantially in accordance with section 15 of this chapter.

(d) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.



(e) All powers that may be exercised under this chapter by the commission may also be exercised by the commission in carrying out its duties and purposes under IC 36-7-15.3.

SECTION 5. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;



the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation



provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.



- 1 (B) Establish, augment, or restore the debt service reserve for
- 2 bonds payable solely or in part from allocated tax proceeds in
- 3 that allocation area.
- 4 (C) Pay the principal of and interest on bonds payable from
- 5 allocated tax proceeds in that allocation area and from the
- 6 special tax levied under section 19 of this chapter.
- 7 (D) Pay the principal of and interest on bonds issued by the
- 8 consolidated city to pay for local public improvements that are
- 9 physically located in or physically connected to that allocation
- 10 area.
- 11 (E) Pay premiums on the redemption before maturity of bonds
- 12 payable solely or in part from allocated tax proceeds in that
- 13 allocation area.
- 14 (F) Make payments on leases payable from allocated tax
- 15 proceeds in that allocation area under section 17.1 of this
- 16 chapter.
- 17 (G) Reimburse the consolidated city for expenditures for local
- 18 public improvements (which include buildings, parking
- 19 facilities, and other items set forth in section 17 of this
- 20 chapter) that are physically located in or physically connected
- 21 to that allocation area.
- 22 (H) Reimburse the unit for rentals paid by it for a building or
- 23 parking facility that is physically located in or physically
- 24 connected to that allocation area under any lease entered into
- 25 under IC 36-1-10.
- 26 (I) Reimburse public and private entities for expenses incurred
- 27 in training employees of industrial facilities that are located:
- 28 (i) in the allocation area; and
- 29 (ii) on a parcel of real property that has been classified as
- 30 industrial property under the rules of the department of local
- 31 government finance.
- 32 However, the total amount of money spent for this purpose in
- 33 any year may not exceed the total amount of money in the
- 34 allocation fund that is attributable to property taxes paid by the
- 35 industrial facilities described in this clause. The
- 36 reimbursements under this clause must be made within three
- 37 (3) years after the date on which the investments that are the
- 38 basis for the increment financing are made.
- 39 (J) Pay the costs of carrying out an eligible efficiency project
- 40 (as defined in IC 36-9-41-1.5) within the unit that established
- 41 the redevelopment commission. However, property tax
- 42 proceeds may be used under this clause to pay the costs of



1 carrying out an eligible efficiency project only if those
 2 property tax proceeds exceed the amount necessary to do the
 3 following:

4 (i) Make, when due, any payments required under clauses
 5 (A) through (I), including any payments of principal and
 6 interest on bonds and other obligations payable under this
 7 subdivision, any payments of premiums under this
 8 subdivision on the redemption before maturity of bonds, and
 9 any payments on leases payable under this subdivision.

10 (ii) Make any reimbursements required under this
 11 subdivision.

12 (iii) Pay any expenses required under this subdivision.

13 (iv) Establish, augment, or restore any debt service reserve
 14 under this subdivision.

15 **(K) Expend money and provide financial assistance as**
 16 **authorized in section 7(a)(21) of this chapter.**

17 The special fund may not be used for operating expenses of the
 18 commission.

19 (4) Before July 15 of each year, the commission shall do the
 20 following:

21 (A) Determine the amount, if any, by which the assessed value
 22 of the taxable property in the allocation area for the most
 23 recent assessment date minus the base assessed value, when
 24 multiplied by the estimated tax rate of the allocation area will
 25 exceed the amount of assessed value needed to provide the
 26 property taxes necessary to make, when due, principal and
 27 interest payments on bonds described in subdivision (3) plus
 28 the amount necessary for other purposes described in
 29 subdivision (3) and subsection (g).

30 (B) Provide a written notice to the county auditor, the
 31 legislative body of the consolidated city, and the officers who
 32 are authorized to fix budgets, tax rates, and tax levies under
 33 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 34 or partly located within the allocation area. The notice must:

35 (i) state the amount, if any, of excess assessed value that the
 36 commission has determined may be allocated to the
 37 respective taxing units in the manner prescribed in
 38 subdivision (1); or

39 (ii) state that the commission has determined that there is no
 40 excess assessed value that may be allocated to the respective
 41 taxing units in the manner prescribed in subdivision (1).

42 The county auditor shall allocate to the respective taxing units



- 1 the amount, if any, of excess assessed value determined by the
 2 commission. The commission may not authorize an allocation
 3 to the respective taxing units under this subdivision if to do so
 4 would endanger the interests of the holders of bonds described
 5 in subdivision (3).
- 6 (c) For the purpose of allocating taxes levied by or for any taxing
 7 unit or units, the assessed value of taxable property in a territory in the
 8 allocation area that is annexed by any taxing unit after the effective
 9 date of the allocation provision of the resolution is the lesser of:
 10 (1) the assessed value of the property for the assessment date with
 11 respect to which the allocation and distribution is made; or
 12 (2) the base assessed value.
- 13 (d) Property tax proceeds allocable to the redevelopment district
 14 under subsection (b)(3) may, subject to subsection (b)(4), be
 15 irrevocably pledged by the redevelopment district for payment as set
 16 forth in subsection (b)(3).
- 17 (e) Notwithstanding any other law, each assessor shall, upon
 18 petition of the commission, reassess the taxable property situated upon
 19 or in, or added to, the allocation area, effective on the next assessment
 20 date after the petition.
- 21 (f) Notwithstanding any other law, the assessed value of all taxable
 22 property in the allocation area, for purposes of tax limitation, property
 23 tax replacement, and formulation of the budget, tax rate, and tax levy
 24 for each political subdivision in which the property is located is the
 25 lesser of:
 26 (1) the assessed value of the property as valued without regard to
 27 this section; or
 28 (2) the base assessed value.
- 29 (g) If any part of the allocation area is located in an enterprise zone
 30 created under IC 5-28-15, the unit that designated the allocation area
 31 shall create funds as specified in this subsection. A unit that has
 32 obligations, bonds, or leases payable from allocated tax proceeds under
 33 subsection (b)(3) shall establish an allocation fund for the purposes
 34 specified in subsection (b)(3) and a special zone fund. Such a unit
 35 shall, until the end of the enterprise zone phase out period, deposit each
 36 year in the special zone fund the amount in the allocation fund derived
 37 from property tax proceeds in excess of those described in subsection
 38 (b)(1) and (b)(2) from property located in the enterprise zone that
 39 exceeds the amount sufficient for the purposes specified in subsection
 40 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 41 payable from allocated tax proceeds under subsection (b)(3) shall
 42 establish a special zone fund and deposit all the property tax proceeds



in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred.



The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 6. IC 36-7-30-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) The military base reuse authority may do the following:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal military base property or interest in real military base property or other real or personal property located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of real or personal military base property or other real and personal property to private enterprise or state or local government, on the terms and conditions that the reuse authority considers best for the unit and its inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired from a military base to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for the purposes of this chapter.

(5) Repair and maintain structures acquired for the purposes of this chapter.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired from a military base.



- 1 (7) Survey or examine any land to determine whether it should be
- 2 acquired for the purpose of this chapter and to determine the
- 3 value of the land.
- 4 (8) Appear before any other department or agency of the unit or
- 5 any other governmental agency in respect to any matter affecting:
- 6 (A) real property acquired or being acquired for the purposes
- 7 of this chapter; or
- 8 (B) any reuse area within the jurisdiction of the reuse
- 9 authority.
- 10 (9) Institute or defend in the name of the unit any civil action.
- 11 (10) Use any legal or equitable remedy that is necessary or
- 12 considered proper to protect and enforce the rights of and perform
- 13 the duties of the reuse authority.
- 14 (11) Exercise the power of eminent domain in the name of and
- 15 within the corporate boundaries of the unit in the manner
- 16 prescribed by section 16 of this chapter.
- 17 (12) Appoint an executive director, appraisers, real estate experts,
- 18 engineers, architects, surveyors, attorneys, accountants, and other
- 19 consultants that are necessary or desired by the authority in
- 20 exercising its powers or carrying out its responsibilities under this
- 21 chapter.
- 22 (13) Appoint clerks, guards, laborers, and other employees the
- 23 reuse authority considers advisable. However, the appointments
- 24 must be made in accordance with the merit system of the unit if
- 25 the unit has a merit system.
- 26 (14) Prescribe the duties and regulate the compensation of
- 27 employees of the military base reuse authority.
- 28 (15) Provide a pension and retirement system for employees of
- 29 the military base reuse authority, or use the public employees'
- 30 retirement fund or a retirement plan approved by the United
- 31 States Department of Housing and Urban Development.
- 32 (16) Discharge and appoint successors to employees of the
- 33 military base reuse authority subject to subdivision (13).
- 34 (17) Rent offices for use of the reuse authority or accept the use
- 35 of offices furnished by the unit.
- 36 (18) Equip the offices of the reuse authority with the necessary
- 37 furniture, furnishings, equipment, records, and supplies.
- 38 (19) Expend on behalf of the special taxing district all or any part
- 39 of the money of the special taxing district.
- 40 (20) Design, order, contract for, and construct, reconstruct,
- 41 improve, or renovate the following:
- 42 (A) Local public improvements or structures that are necessary



- 1 for the reuse of military base property within the corporate
 2 boundaries of the unit.
- 3 (B) Any structure that enhances the development, economic
 4 development, or reuse of military base property.
- 5 (21) Accept loans, grants, and other forms of financial assistance
 6 from the federal government, the state government, a municipal
 7 corporation, a special taxing district, a foundation, or any other
 8 source.
- 9 (22) Provide financial assistance, in the manner that best serves
 10 the purposes of this chapter, including grants and loans, to enable
 11 private enterprise to develop, redevelop, and reuse military base
 12 property or otherwise enable private enterprise to provide social
 13 and economic benefits to the citizens of the unit.
- 14 (23) Enter into contracts for providing police, fire protection, and
 15 utility services to the military base reuse area.
- 16 (24) Make and enter into all contracts and agreements necessary
 17 or incidental to the performance of the duties of the reuse
 18 authority and the execution of the power of the reuse authority
 19 under this chapter.
- 20 **(25) Subject to prior approval by the fiscal body of the unit**
 21 **that established the reuse authority, expend money and**
 22 **provide financial assistance (including grants and loans):**
- 23 **(A) in direct support of a military base located within the**
 24 **unit that established the reuse authority, including direct**
 25 **support for the promotion of the military base, the growth**
 26 **of the military base, and activities at the military base; and**
 27 **(B) in support of any other entity that provides services or**
 28 **direct support to a military base described in clause (A).**
- 29 **The fiscal body of the unit that established the reuse authority**
 30 **must separately approve each grant, loan, or other**
 31 **expenditure for financial assistance under this subdivision.**
 32 **The terms of any loan that is made under this subdivision may**
 33 **be changed only if the change is approved by the fiscal body**
 34 **of the unit that established the reuse authority. As used in this**
 35 **subdivision, "military base" has the meaning set forth in**
 36 **IC 36-1-4-20.**
- 37 ~~(25)~~ **(26)** Take any action necessary to implement the purposes of
 38 the reuse authority.
- 39 (b) All powers that may be exercised under this chapter by the reuse
 40 authority may also be exercised by the reuse authority in carrying out
 41 its duties and purposes under IC 36-7-14.5 or IC 36-7-15.3.
- 42 SECTION 7. IC 36-7-30-25, AS AMENDED BY P.L.112-2012,



SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of



the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution are made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation



and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

(F) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units



1 the amount, if any, of excess property tax proceeds determined
 2 by the reuse authority. The reuse authority may not authorize
 3 a payment to the respective taxing units under this subdivision
 4 if to do so would endanger the interest of the holders of bonds
 5 described in subdivision (3) or lessors under section 19 of this
 6 chapter.

7 (c) For the purpose of allocating taxes levied by or for any taxing
 8 unit or units, the assessed value of taxable property in a territory in the
 9 allocation area that is annexed by a taxing unit after the effective date
 10 of the allocation provision of the declaratory resolution is the lesser of:

- 11 (1) the assessed value of the property for the assessment date with
- 12 respect to which the allocation and distribution is made; or
- 13 (2) the base assessed value.

14 (d) Property tax proceeds allocable to the military base reuse district
 15 under subsection (b)(3) may, subject to subsection (b)(4), be
 16 irrevocably pledged by the military base reuse district for payment as
 17 set forth in subsection (b)(3).

18 (e) Notwithstanding any other law, each assessor shall, upon
 19 petition of the reuse authority, reassess the taxable property situated
 20 upon or in or added to the allocation area, effective on the next
 21 assessment date after the petition.

22 (f) Notwithstanding any other law, the assessed value of all taxable
 23 property in the allocation area, for purposes of tax limitation, property
 24 tax replacement, and the making of the budget, tax rate, and tax levy
 25 for each political subdivision in which the property is located is the
 26 lesser of:

- 27 (1) the assessed value of the property as valued without regard to
- 28 this section; or
- 29 (2) the base assessed value.

30 (g) If any part of the allocation area is located in an enterprise zone
 31 created under IC 5-28-15, the unit that designated the allocation area
 32 shall create funds as specified in this subsection. A unit that has
 33 obligations, bonds, or leases payable from allocated tax proceeds under
 34 subsection (b)(3) shall establish an allocation fund for the purposes
 35 specified in subsection (b)(3) and a special zone fund. Such a unit
 36 shall, until the end of the enterprise zone phase out period, deposit each
 37 year in the special zone fund any amount in the allocation fund derived
 38 from property tax proceeds in excess of those described in subsection
 39 (b)(1) and (b)(2) from property located in the enterprise zone that
 40 exceeds the amount sufficient for the purposes specified in subsection
 41 (b)(3) for the year. The amount sufficient for purposes specified in
 42 subsection (b)(3) for the year shall be determined based on the pro rata



1 part of such current property tax proceeds from the part of the
 2 enterprise zone that is within the allocation area as compared to all
 3 such current property tax proceeds derived from the allocation area. A
 4 unit that does not have obligations, bonds, or leases payable from
 5 allocated tax proceeds under subsection (b)(3) shall establish a special
 6 zone fund and deposit all the property tax proceeds in excess of those
 7 described in subsection (b)(1) and (b)(2) that are derived from property
 8 in the enterprise zone in the fund. The unit that creates the special zone
 9 fund shall use the fund (based on the recommendations of the urban
 10 enterprise association) for programs in job training, job enrichment,
 11 and basic skill development that are designed to benefit residents and
 12 employers in the enterprise zone or other purposes specified in
 13 subsection (b)(3), except that where reference is made in subsection
 14 (b)(3) to allocation area it shall refer for purposes of payments from the
 15 special zone fund only to that part of the allocation area that is also
 16 located in the enterprise zone. The programs shall reserve at least
 17 one-half (1/2) of their enrollment in any session for residents of the
 18 enterprise zone.

19 (h) After each general reassessment of real property in an area under
 20 IC 6-1.1-4-4 or reassessment under the county's reassessment plan
 21 under IC 6-1.1-4-4.2, the department of local government finance shall
 22 adjust the base assessed value one (1) time to neutralize any effect of
 23 the reassessment of the real property in the area on the property tax
 24 proceeds allocated to the military base reuse district under this section.
 25 After each annual adjustment under IC 6-1.1-4-4.5, the department of
 26 local government finance shall adjust the base assessed value to
 27 neutralize any effect of the annual adjustment on the property tax
 28 proceeds allocated to the military base reuse district under this section.
 29 However, the adjustments under this subsection may not include the
 30 effect of property tax abatements under IC 6-1.1-12.1, and these
 31 adjustments may not produce less property tax proceeds allocable to
 32 the military base reuse district under subsection (b)(3) than would
 33 otherwise have been received if the general reassessment, reassessment
 34 under the county's reassessment plan, or annual adjustment had not
 35 occurred. The department of local government finance may prescribe
 36 procedures for county and township officials to follow to assist the
 37 department in making the adjustments.

38 SECTION 8. IC 36-7-30.5-15, AS ADDED BY P.L.203-2005,
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2014]: Sec. 15. The development authority may do the
 41 following:

42 (1) Acquire by purchase, exchange, gift, grant, condemnation, or



- 1 lease, or any combination of methods, any personal military base
- 2 property or interest in real military base property or other real or
- 3 personal property located within the corporate boundaries of a
- 4 unit that contains all or part of the military base.
- 5 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
- 6 other instrument), exchange, lease, rent, or otherwise dispose of
- 7 real or personal military base property or other real and personal
- 8 property to private enterprise or state or local government, on the
- 9 terms and conditions that the development authority considers
- 10 best for the state and the state's inhabitants.
- 11 (3) Sell, lease, or grant interests in all or part of the real property
- 12 acquired from a military base to a department of a unit or to any
- 13 other governmental agency for public ways, levees, sewerage,
- 14 parks, playgrounds, schools, and other public purposes on any
- 15 terms that may be agreed on.
- 16 (4) Clear real property acquired for the purposes of this chapter.
- 17 (5) Repair and maintain structures acquired for the purposes of
- 18 this chapter.
- 19 (6) Remodel, rebuild, enlarge, or make major structural
- 20 improvements on structures acquired from a military base.
- 21 (7) Survey or examine any land to determine whether it should be
- 22 acquired for the purpose of this chapter and to determine the
- 23 value of the land.
- 24 (8) Appear before any other department or agency of a unit or any
- 25 other governmental agency in respect to any matter affecting:
- 26 (A) real property acquired or being acquired for the purposes
- 27 of this chapter; or
- 28 (B) any development area within the jurisdiction of the
- 29 development authority.
- 30 (9) Institute or defend in the name of the development authority
- 31 any civil action.
- 32 (10) Use any legal or equitable remedy that is necessary or
- 33 considered proper to protect and enforce the rights of and perform
- 34 the duties of the development authority.
- 35 (11) Exercise the power of eminent domain within military base
- 36 property in the manner prescribed by section 21 of this chapter.
- 37 (12) Appoint an executive director, appraisers, real estate experts,
- 38 engineers, architects, surveyors, attorneys, accountants, and other
- 39 consultants that are necessary or desired by the authority in
- 40 exercising its powers or carrying out its responsibilities under this
- 41 chapter.
- 42 (13) Appoint clerks, guards, laborers, and other employees the



- 1 development authority considers advisable.
- 2 (14) Prescribe the duties and regulate the compensation of
- 3 employees of the development authority.
- 4 (15) Provide a pension and retirement system for employees of
- 5 the development authority.
- 6 (16) Discharge and appoint successors to employees of the
- 7 development authority.
- 8 (17) Rent offices for use of the development authority or accept
- 9 the use of offices furnished by a unit.
- 10 (18) Equip the offices of the development authority with the
- 11 necessary furniture, furnishings, equipment, records, and supplies.
- 12 (19) Expend on behalf of the counties represented on the
- 13 development authority all or any part of the money of the
- 14 development authority.
- 15 (20) Design, order, contract for, construct, reconstruct, improve,
- 16 or renovate the following:
 - 17 (A) Local public improvements or structures that are necessary
 - 18 for the development of military base property.
 - 19 (B) Any structure that enhances the development, economic
 - 20 development, or reuse of military base property.
- 21 (21) Accept loans, grants, and other forms of financial assistance
- 22 from the federal government, the state government, a municipal
- 23 corporation, a special taxing district, a foundation, or any other
- 24 source.
- 25 (22) Provide financial assistance, in the manner that best serves
- 26 the purposes of this chapter, including grants and loans, to enable
- 27 private enterprise to develop, redevelop, and reuse military base
- 28 property or otherwise enable private enterprise to provide social
- 29 and economic benefits to the citizens of the state.
- 30 (23) Enter into contracts for providing police, fire protection, and
- 31 utility services to the military base development area.
- 32 (24) Make and enter into all contracts and agreements necessary
- 33 or incidental to the performance of the duties of the development
- 34 authority and the execution of the power of the development
- 35 authority under this chapter.
- 36 (25) Adopt a seal.
- 37 **(26) Subject to prior approval by the fiscal body of the unit**
- 38 **that established the development authority, expend money**
- 39 **and provide financial assistance (including grants and loans):**
 - 40 **(A) in direct support of a military base located within the**
 - 41 **unit that established the development authority, including**
 - 42 **direct support for the promotion of the military base, the**



1 growth of the military base, and activities at the military
2 base; and

3 (B) in support of any other entity that provides services or
4 direct support to a military base described in clause (A).

5 The fiscal body of the unit that established the development
6 authority must separately approve each grant, loan, or other
7 expenditure for financial assistance under this subdivision.
8 The terms of any loan that is made under this subdivision may
9 be changed only if the change is approved by the fiscal body
10 of the unit that established the development authority. As
11 used in this subdivision, "military base" has the meaning set
12 forth in IC 36-1-4-20.

13 ~~(26)~~ (27) Take any action necessary to implement the purposes of
14 the development authority.

15 SECTION 9. IC 36-7-30.5-30, AS AMENDED BY P.L.112-2012,
16 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2014]: Sec. 30. (a) The following definitions apply throughout
18 this section:

19 (1) "Allocation area" means that part of a military base
20 development area to which an allocation provision of a
21 declaratory resolution adopted under section 16 of this chapter
22 refers for purposes of distribution and allocation of property taxes.

23 (2) "Base assessed value" means:

24 (A) the net assessed value of all the property as finally
25 determined for the assessment date immediately preceding the
26 adoption date of the allocation provision of the declaratory
27 resolution, as adjusted under subsection (h); plus

28 (B) to the extent that it is not included in clause (A) or (C), the
29 net assessed value of any and all parcels or classes of parcels
30 identified as part of the base assessed value in the declaratory
31 resolution or an amendment to the declaratory resolution, as
32 finally determined for any subsequent assessment date; plus
33 (C) to the extent that it is not included in clause (A) or (B), the
34 net assessed value of property that is assessed as residential
35 property under the rules of the department of local government
36 finance, as finally determined for any assessment date after the
37 effective date of the allocation provision.

38 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
39 property.

40 (b) A declaratory resolution adopted under section 16 of this chapter
41 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
42 resolutions adopted under IC 36-7-14-15 may include a provision with



respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from



allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and



(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(H) Expend money and provide financial assistance as authorized in section 15(26) of this chapter.

The allocation fund may not be used for operating expenses of the development authority.

(4) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivisions (2) and (3).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 24 of this chapter. Property taxes received by a taxing



1 unit under this subdivision before 2009 are eligible for the
2 property tax replacement credit provided under IC 6-1.1-21
3 (before its repeal).

4 (c) For the purpose of allocating taxes levied by or for any taxing
5 unit or units, the assessed value of taxable property in a territory in the
6 allocation area that is annexed by a taxing unit after the effective date
7 of the allocation provision of the declaratory resolution is the lesser of:

- 8 (1) the assessed value of the property for the assessment date with
9 respect to which the allocation and distribution is made; or
10 (2) the base assessed value.

11 (d) Property tax proceeds allocable to the military base development
12 district under subsection (b)(3) may, subject to subsection (b)(4), be
13 irrevocably pledged by the military base development district for
14 payment as set forth in subsection (b)(3).

15 (e) Notwithstanding any other law, each assessor shall, upon
16 petition of the development authority, reassess the taxable property
17 situated upon or in or added to the allocation area, effective on the next
18 assessment date after the petition.

19 (f) Notwithstanding any other law, the assessed value of all taxable
20 property in the allocation area, for purposes of tax limitation, property
21 tax replacement, and the making of the budget, tax rate, and tax levy
22 for each political subdivision in which the property is located is the
23 lesser of:

- 24 (1) the assessed value of the property as valued without regard to
25 this section; or
26 (2) the base assessed value.

27 (g) If any part of the allocation area is located in an enterprise zone
28 created under IC 5-28-15, the development authority shall create funds
29 as specified in this subsection. A development authority that has
30 obligations, bonds, or leases payable from allocated tax proceeds under
31 subsection (b)(3) shall establish an allocation fund for the purposes
32 specified in subsection (b)(3) and a special zone fund. The
33 development authority shall, until the end of the enterprise zone phase
34 out period, deposit each year in the special zone fund any amount in the
35 allocation fund derived from property tax proceeds in excess of those
36 described in subsection (b)(1) and (b)(2) from property located in the
37 enterprise zone that exceeds the amount sufficient for the purposes
38 specified in subsection (b)(3) for the year. The amount sufficient for
39 purposes specified in subsection (b)(3) for the year shall be determined
40 based on the pro rata part of such current property tax proceeds from
41 the part of the enterprise zone that is within the allocation area as
42 compared to all such current property tax proceeds derived from the



1 allocation area. A development authority that does not have
 2 obligations, bonds, or leases payable from allocated tax proceeds under
 3 subsection (b)(3) shall establish a special zone fund and deposit all the
 4 property tax proceeds in excess of those described in subsection (b)(1)
 5 and (b)(2) that are derived from property in the enterprise zone in the
 6 fund. The development authority that creates the special zone fund
 7 shall use the fund (based on the recommendations of the urban
 8 enterprise association) for programs in job training, job enrichment,
 9 and basic skill development that are designed to benefit residents and
 10 employers in the enterprise zone or for other purposes specified in
 11 subsection (b)(3), except that where reference is made in subsection
 12 (b)(3) to an allocation area it shall refer for purposes of payments from
 13 the special zone fund only to that part of the allocation area that is also
 14 located in the enterprise zone. The programs shall reserve at least
 15 one-half (1/2) of their enrollment in any session for residents of the
 16 enterprise zone.

17 (h) After each general reassessment of real property in an area under
 18 IC 6-1.1-4-4 or reassessment under a reassessment plan prepared under
 19 IC 6-1.1-4-4.2, the department of local government finance shall adjust
 20 the base assessed value one (1) time to neutralize any effect of the
 21 reassessment of the real property in the area on the property tax
 22 proceeds allocated to the military base development district under this
 23 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 24 department of local government finance shall adjust the base assessed
 25 value to neutralize any effect of the annual adjustment on the property
 26 tax proceeds allocated to the military base development district under
 27 this section. However, the adjustments under this subsection may not
 28 include the effect of property tax abatements under IC 6-1.1-12.1, and
 29 these adjustments may not produce less property tax proceeds allocable
 30 to the military base development district under subsection (b)(3) than
 31 would otherwise have been received if the general reassessment,
 32 reassessment under the county's reassessment plan, or annual
 33 adjustment had not occurred. The department of local government
 34 finance may prescribe procedures for county and township officials to
 35 follow to assist the department in making the adjustments.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 260, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 260 as introduced.)

Committee Vote: Yeas 9, Nays 0

Senator Head, Chairperson

SENATE MOTION

Madam President: I move that Senate Bill 260 be amended to read as follows:

Page 1, line 3, delete **"federal facility"** and insert **"military base" means an active military installation that:**

(1) is used for the deployment, redeployment, mobilization, concentration, movement, exercise, or training of active or reserve components of the armed forces of the United States or of active or reserve components of the Indiana National Guard or Indiana Area National Guard; and

(2) consists of an area of at least one hundred (100) acres.

The term also includes a military installation that is used for the design, construction, maintenance, and testing of electronic devices and ordnance.

(b) Upon appropriation by the fiscal body of a unit, the unit may expend money:

(1) in direct support of a military base located within the unit, including direct support for the promotion of the military base, the growth of the military base, and activities at the military base; and

(2) in support of any other entity that provides services or direct support to a military base described in subdivision (1)."

Page 1, delete lines 4 through 9.

Page 4, line 20, after "grants and" insert "loans):

(A) in direct support of a military base located within the unit that established the redevelopment commission, including direct support for the promotion of the military base, the growth of the military base, and activities at the military base; and



(B) in support of any other entity that provides services or direct support to a military base described in clause (A). The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "military base" has the meaning set forth in IC 36-1-4-20."

Page 4, delete lines 21 through 25.

Page 15, line 35, after "grants and" insert "loans):

(A) in direct support of a military base located within the unit that established the redevelopment commission, including direct support for the promotion of the military base, the growth of the military base, and activities at the military base; and

(B) in support of any other entity that provides services or direct support to a military base described in clause (A).

The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. As used in this subdivision, "military base" has the meaning set forth in IC 36-1-4-20."

Page 15, delete lines 36 through 40.

Page 26, line 30, delete "in" and insert ":

(A) in direct support of a military base located within the unit that established the reuse authority, including direct support for the promotion of the military base, the growth of the military base, and activities at the military base; and

(B) in support of any other entity that provides services or direct support to a military base described in clause (A).

The fiscal body of the unit that established the reuse authority must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the reuse authority. As used in this subdivision, "military base" has the meaning set forth in



IC 36-1-4-20."

Page 26, delete lines 31 through 35.

Page 33, line 38, after "loans)" insert ":

(A) in direct support of a military base located within the unit that established the development authority, including direct support for the promotion of the military base, the growth of the military base, and activities at the military base; and

(B) in support of any other entity that provides services or direct support to a military base described in clause (A).

The fiscal body of the unit that established the development authority must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision.

The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the development authority. As used in this subdivision, "military base" has the meaning set forth in IC 36-1-4-20."

Page 33, delete lines 39 through 42.

Page 34, delete line 1.

(Reference is to SB 260 as printed January 17, 2014.)

SMITH J

